

Price reductions boost product appeal

Compaq moved to increase its already significant market share by reducing prices across the board April 16.

Effective in the U.S. and Canada, the reductions affect suggested retail prices (SRP) on computers as well as key options such as memory modules and modems.

The reductions were greeted enthusiastically in the business and professional world.

Ed Anderson, Chief Operating Officer of Computerland, calls the reductions "a real step forward for dealers and their customers."

Joe Vos, President of three MicroAge Computer stores in Ontario, Canada, says, "Before April 16, Compaq customers only had one criticism — price. I think price compelled some users to buy lesser products from lesser organizations."

"With these price reductions, Compaq has stopped that one criticism. Now those customers

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Strong U.S. dollar overseas affects results Earnings up 24 percent

Despite uncertainty surrounding the Gulf War, extensive price reductions and a strong U.S. dollar in overseas markets, the company reported an 11 percent increase in sales to \$971 million for the first quarter of 1991. Sales were \$872 million for the corresponding quarter last year.

For the quarter ending March 31, first quarter net income of \$114 million, or \$1.26 per share, represents a 24 percent increase over net income of \$92 million, or \$1.06 per share on a fully diluted basis (adjusted for a two-for-one stock split effect June 29, 1990), for the first quarter of 1990.

"Our financial results for the first quarter were good, especially given all the uncertainties surrounding the war in the Middle East, slowing global economies and the effect of major strategic programs, including price cuts and customer support programs, on our results," Rod Canon, Compaq CEO, said April 25 when the figures were released. "During the quarter we saw strong sales of COMPAQ products around the world. International revenues increased by 16 percent over the same period last year and comprised

59 percent of first quarter revenue."

First quarter 1991 unit shipments in North America increased 20 percent over the same quarter last year, compared with only a 6 percent increase in dealers' unit sales of U.S. business PCs for January and February shown by the most recent data from market research firm StoreBoard.

Since the U.S. dollar has been appreciating against other currencies, the company's financial figures were adversely affected. Products sold outside the United States are priced in local currencies, yet reported in U.S. dollars. As a result of this trend, second quarter earnings are expected to be below earnings for the second quarter of 1990. If the U.S. dollar remains stronger than last year, earnings will be adversely affected throughout the entire year.

Notebook PCs remained one of the fastest-growing segments of the market during the recent quarter. COMPAQ LTE 386s/20 shipped in significant volumes during first quarter 1991. The April 16th pricing actions lowered the price of the COMPAQ LTE386s/20 Model 30 to \$4,399 from \$6,499 and the Model 60 to \$4,799 from \$6,999.

Nike does it with Compaq

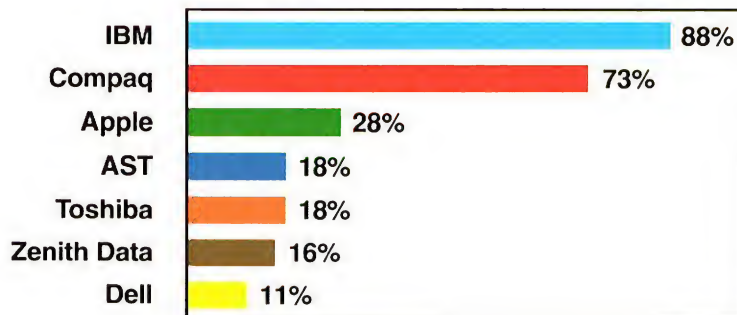


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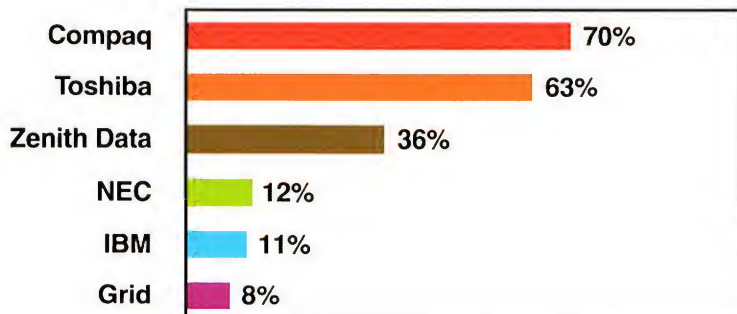
Top Brands among Fortune 1000

Percent of Companies Using

DESKTOPS



LAPTOPS/NOTEBOOKS



According to CRN benchmarks and The Gallup Organization, Inc., COMPAQ products come out on top in the percentage of Fortune 1000 companies using laptop and notebook PCs. COMPAQ desktop PCs hold the second highest percentage of computers used by the large companies.

COMPAQ SYSTEMPRO — a success in our own backyard

It seems natural that our products should help Compaq save time and money — and make our operations more efficient.

The COMPAQ SYSTEMPRO is doing just that in the North American Sales Programs Operations department.

When SALESPAQ was first formed in 1985, it was a dealer support program allowing Compaq Authorized Dealers to submit claims for reimbursements for promotional activities. As the company has grown, so has SALESPAQ — now the company's broad marketing and business support program for Authorized Dealers.

The management of SALESPAQ operations has been performed by an outside vendor since the program began. The Prior Approval operation — working with Dealers who have special requests — was the only portion of the SALESPAQ business management that was performed in-house.

As SALESPAQ became more complex and flexible and the number of Dealers grew, the outside vendor, who used an HP/3000 mainframe, became less viable. According to Joanne Morse, Manager, Sales Programs Operations,

because Compaq promotes Dealer advocacy and the SALESPAQ team often considers customized requests on a case-by-case basis, the vendor needed increasingly more support from Compaq to handle the business. Also, she adds, Compaq lost some degree of control over the release of proprietary information since SALESPAQ programs often include information about unannounced products.

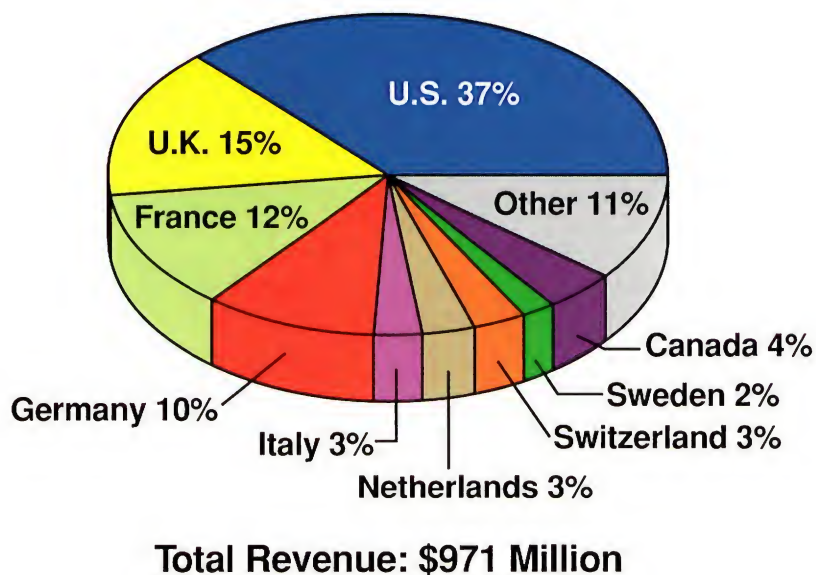
The decision to move the business internally to a Compaq platform was made in April last year. The entire system was designed and developed in less than seven months, and has been up and running in CCA12 since February.

The solution is built around two COMPAQ SYSTEMPRO systems — one for processing, the other for development. COMPAQ DESKPRO 286 and 386 PCs are used as servers for communications, indexing, mail, etc. COMPAQ DESKPRO 386x PCs are used as workstations. Novell Netware is the operating system and Advanced Revelation is the fourth-generation language tool used to develop the application.

The new system manages all dealer

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1Q 1991 Revenue Mix by Country



The United States contributed 37 percent of the company's total revenue during the first quarter of the year – down 6 percent from last year's first quarter contribution of 43 percent. The United Kingdom, Germany and Canada each grew 1 percent, while the other countries combined grew 3 percent.

QuickFind available on company network

Have you ever spent valuable time flipping through manuals and making numerous phone calls in search of answers to technical questions? Maybe you needed correct switch settings, part numbers, board illustrations or configuration information.

This information – and more – can be found with a stroke of a key. The COMPAQ QuickFind Internal Support Reference Library is now accessible by all internal units connected to the company network. Simply type QF after logging into Banyan (or contact your network administrator) to gain access to a wealth of information.

QuickFind, a text and graphics retrieval system, was previously available only to customers and Authorized Dealers.

The Internal Support Reference Library, a QuickFind database, contains

reams of information. Compaq technical reference guides and notes, software manuals, memory upgrade charts, application notes, product bulletins, DOS 3.31 manual, quick reference guides, option information and advisories are all available. The Corporate Style Guide, SOFPAQ documents, Compaq standard terms, company phone book, third party information and networking information are also available.

Any COMPAQ PC with 380 or more Kbytes of memory available can access the database. The reference library contains graphics, such as board illustrations and an illustrated parts guide, accessible with a COMPAQ EGA monitor.

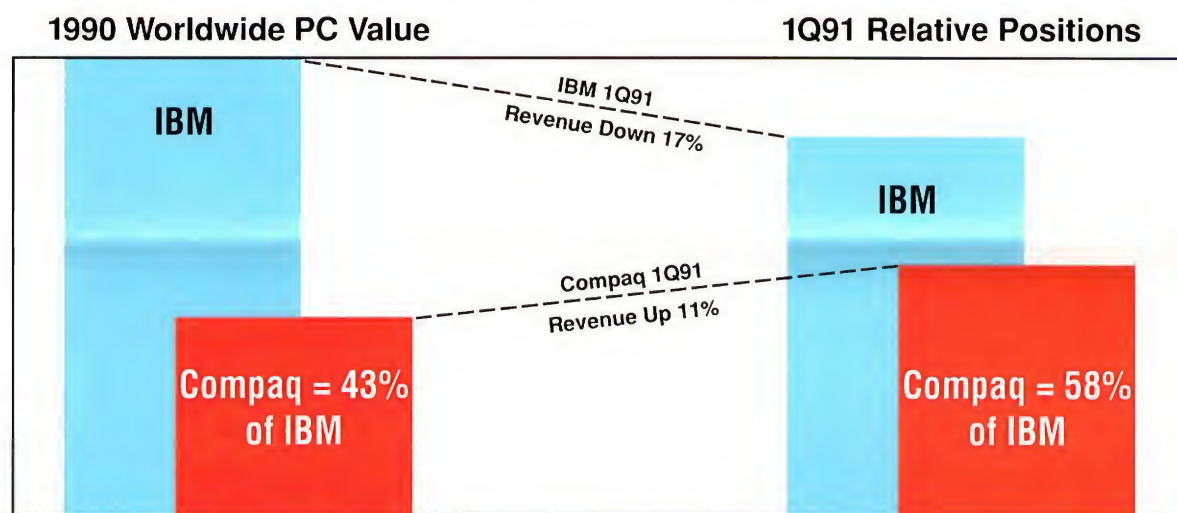
QuickFind is available through the Banyan network on a shared hard disk, but is mailed to Dealers and endusers on CD-ROMs. In a table of contents format, it is Windows compatible with on-line help and mouse support. Documents can be saved to ASCII files, pulled into word processing programs or bmailed in attachments. A search feature can find specific words or subjects in a single document or the whole database.

The database is updated weekly on the network in Houston, weekly by bmail attachment in Compaq regions and subsidiaries and quarterly by CD-ROM.

According to Jim May, QuickFind Project Manager, Compaq employees are discovering the benefits of using QuickFind to locate information. He adds that various departments have found uses for the program – including on-line testing, the board shop, marketing, support, sales and systems and design engineering.

For further information on QuickFind, call 713-374- 2500.

Compaq vs. IBM – The Gap Narrows



Source: Dataquest, Company Financials

The company's percentage of IBM's business is slowly creeping upward. IBM reported revenue losses of 17 percent for the first quarter of 1991, while Compaq reported an 11 percent gain.

New VGA monitors reduce emissions

Responding to customer requests, Compaq has introduced the Reduced Emissions Video Graphics Color Monitor and a new version of the Video Graphics Monochrome Monitor. Both monitors comply with the electromagnetic emissions guidelines developed by the Swedish National Board for Measurement and Testing (Swedish MPR).

The Swedish MPR outlined both test methods and emissions guidelines for computer monitors in the MPR 1990 documents. Those cover electrostatic potential, very low frequency (VLF) magnetic and electric fields, extremely low frequency (ELF) magnetic and electric fields, and X-ray radiation.

There are no federal, state or local requirements governing monitor emissions in the low frequency range in the United States.

Compaq offers these products to provide customers a choice. Reduced-emissions monitors aren't important to all customers, but some want this option – especially in European countries such as Germany, Norway and Sweden.

"Many users – especially in European markets – have requested reduced-emissions monitors from Compaq," Eckhard Pfeiffer, Chief Operating Officer, explains. "In some countries and for some users, in fact, reduced electromagnetic emissions are even a requirement for purchase. With the introduction of these monitors, users now have a reduced-emissions VGA alternative, and we are committed to expanding our reduced-emissions options in the future."

The new Reduced Emissions Video Graphics Color Monitor reduces both ELF

and VLF emissions. It also reduces the electrostatic potential – caused by positive voltage applied to the inner surface of the cathode ray tube (CRT) screen. This voltage illuminates the phosphor coating on the inner surface of the CRT screen.

The new Video Graphics Monochrome Monitor – delivering the same emissions reductions as the color monitor – replaces the existing monitor model.

Like the existing COMPAQ VGA monitor, the new color monitor has a 14-inch anti-glare screen, up to 640 x 480 resolution, adjustable brightness and contrast, integrated tilt and swivel and non-interlaced scanning. Both VGA color monitors support up to 256 colors simultaneously and are ideal for graphics-based spread-

sheets and presentation graphics.

The new monochrome monitor supports up to 64 shades of grey and is perfect for word processing, data processing, databases, spreadsheets and basic desktop publishing.

Discontinued

Compaq also announced the discontinuation of its Advanced Graphics 1024 Board and Advanced Graphics Memory Board. The company continues to offer the Advanced Graphics Color Monitor for users who want a large 16-inch screen for VGA applications.

Just do it with PCs

Compaq and Nike team up to keep products coming

Like superstars in its promotions — including Michael Jordan and Andre Agassi — Nike is fleet afoot. Few competitors can match this company's speed in bringing sizzling new athletic shoes and apparel to market. This spring alone, Nike will produce 860 footwear models, 8,500 apparel styles and 500 accessory styles.

To help market this array of goods, the Beaverton, Oregon, company has equipped its sales force with COMPAQ laptop and notebook personal computers. Using a custom-designed program called RepNet, the PCs can display images and specifications of the company's current product line. The computers are also set up for order entry, inventory status and electronic mail.

With key sales information downloaded from the company's mainframe into their portable PCs, the sales representatives call on department stores, footwear and sporting goods stores and tennis and golf shops.

"Electronic mail by itself has really opened up communications between the

home office and the sales reps," says Ruth Kartalis, project leader for RepNet. "Orders now go from the reps' PCs right into the mainframe computer. No one rekeys anything. The efficiency gives us big savings."

High-resolution VGA screens on the computers permit retailers to scan through electronic catalogs displaying the latest versions of Nike sport shoes and other athletic apparel.

"We selected COMPAQ because it offers the latest technology," says Dean Porter, sales controller in Nike's Sales Division. "More important than that was the service behind the product from Authorized Dealers. We have a very low tolerance for hardware failure. The laptop and notebook PCs have become the salesperson's briefcase. If their machines go out, they're out of business."

COMPAQ computers also aid in Nike's product development department, where a COMPAQ SYSTEPRO is used as the central repository for designs and physical test results for new shoes.

Product managers en route to

manufacturing plants on five continents carry COMPAQ LTE computers. The lightweight PCs help the managers ensure that upcoming lines of Nike products meet specifications, stay within

budgets and keep on schedule.

These professionals don't like to keep the 85 million people who wear Nike products waiting. COMPAQ helps make sure they don't.



With the help of COMPAQ notebook and laptop computers, Nike sales representatives make sure orders are not delayed.

Scottish employees respond to Romanian plight

Recent photographs and film clips of the atrocities dealt to thousands of Romanian children at the hands of the country's government have shocked the world.

Unwanted infants — some with birth defects and many born healthy — crowd the country's orphanages, hospitals and asylums, where they have been left to grow up without care, education or love. When the Romanian government crumbled last year, word of the children's plight spread throughout the world. Many charitable efforts have been organized to send money and needed items to help these babies. People have travelled to the country to

rescue children by adopting them.

When Denise Ferrier, of Compaq Scotland Site Services, learned that a group of mothers at nearby St. Mary's Church Greenock was organizing a "Romanian Baby Appeal," she decided to help the charitable effort. And, what better way than to spread the word to her coworkers at Compaq Scotland?

With help from Marianne Boland and Elaine Robertson, also of Site Services, the appeal was spread by electronic mail, notices on bulletin boards and word of mouth.

"I think the reason this appeal really

touched me was the fact that I had a baby of my own seven months previous, and realized just how much she had compared to these poor children who had nothing," Ferrier says. "The woman who organized the appeal told me a group of volunteers had been to Rumania and were appalled by what they saw. Children as old as 5 years could not walk because they had never been taught and had no shoes."

Compaq responded to the appeal in its usual enthusiastic way. Employees donated 25 large boxes — enough to fill one van — of needed items. These include 80 packs of disposable diapers, 600 toothbrushes,

600 tubes of toothpaste, 192 bars of soap, 120 bottles, 120 washcloths, 96 bottles of disinfectant, 96 tubs of baby powder, 72 boxes of baby wipes, 72 training cups and bibs, 72 tubes of baby cream, 48 cans of baby formula, a huge assortment of medical and hygienic items and children's clothes and shoes.

The appeal was an enormous success. "All these supplies will be distributed by volunteers who are returning to the country," Ferrier says. "Thanks to the kindness of the people of Compaq, these children will find some comfort in the supplies."



U.S. House of Representatives Majority Leader Dick Gephardt visited Compaq headquarters recently. The third ranking member of the U.S. Congress was given a tour of the facilities, where he found that Compaq is not only a technology leader, but also a major success story. Gephardt even used Compaq as an example of successful entrepreneurship in many speeches during his official tour of Texas — including a talk with many Texas Instruments employees. Above, Bob Vieau, Sr. Vice President, Corporate Manufacturing, left, and Bill Ramsey, Vice President, Manufacturing, PCB Operations, give the U.S. representative an overview of technologies used in Compaq printed circuit boards.

Price reductions boost appeal

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who didn't buy Compaq can reconsider. They can buy the best from the best."

Anderson agrees, adding, "We now offer the high performance of Compaq at affordable prices."

A Palo Alto, Cal., consultant, Merrin Information Systems President Seymour Merrin, calls the reductions "a great move for Compaq."

"These prices are much more attractive in a more competitive marketplace," Merrin says. "It's a great move for customers, too, because Compaq hasn't changed anything except its prices. Now customers can rejoice and say either, 'I can buy Compaq now,' or 'I can buy Compaq again.'"

"We believe our new pricing policy will make COMPAQ products more competitive in the North American marketplace and will lead to increased sales of CPUs as well as software and peripherals for dealers," said Ross Cooley, Vice President, North America. "For purchasing PCs, cus-

tomers continue to prefer buying from dealers. The changes more effectively reflect and support customer purchasing patterns in North America."

Customers traditionally give the company's products excellent marks for performance, quality, leading-edge technology and extensive customer support. Cooley adds, "Now, with extremely competitive prices, we believe we offer an unmatched value."

The change represents an overall reduction in the discount percentage to Authorized Dealers, through which the company sells its products. However, in all cases where the dealer discount is reduced, the cost to dealers is reduced.

Compaq was able to offer lower prices without sacrificing any of its acclaimed advantages. Even at reduced prices, COMPAQ products offer innovative technology, exhaustive compatibility testing, premium components, 100 percent testing of every PC, post-installation support and many other enhancements.

COMPAQ SYSTEMPRO success

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accounts and ledgers; all financial transactions; order entry for promotional items and services; and produces statements and complex account analysis and usage reports. Morse likens the Sales Programs business system to a banking system.

The current release contains over 300 tables; over 400 data entry and inquiry windows; over 600 programs (representing over 50,000 lines of code); over 300 pop-ups; and over 50 menus with over 400 options. It manages over 2,000 dealer requests each month.

All this has come at considerable saving for Compaq.

Although additional people were hired to work the new operations, efficiencies allow Compaq to run it with approximately 35 percent fewer people overall than needed outside. There are 25 on-line users now, with more planned as system enhancements are made.

Besides being more comprehensive, the COMPAQ SYSTEMPRO solution is much more efficient. It sometimes took several weeks to program new SALESPAQ enhancements that now can be done in a few hours or days. Morse says it is also much easier to input information into this system – the developer or user can see the outcome immediately, much like word processing.

"This lets us serve our dealers better," she explains. "Each dealer can now work with a consistent team of account people and develop a good working relationship. The time

it takes to solve issues is faster, and we can be proactive instead of just reacting to the dealer requests."

Several new releases of the Compaq solution are already under development. In a few months the system will be able to gather and analyze various sales and marketing information.

"Before, we were constantly having to enhance our programs while lacking valuable program data," Morse explains. "Now we'll have that information right at our fingertips."

Prior Approval will be combined with other operations of SALESPAQ in the next release.

The next release will be distributed to international subsidiaries to use. Eventually, Morse says, all Compaq subsidiaries will use the system. Germany, the United Kingdom, France, Belgium and Switzerland plan to implement the system this summer. This will provide additional savings to Compaq. When SALESPAQ makes program changes that call for adjustment to the system, not only are these adjustments made at headquarters, but also at each subsidiary office. The upcoming release will allow most system changes to be made only in North America – minimizing duplication of effort and making it quicker for the subsidiaries to implement changes.

Because of the COMPAQ SYSTEMPRO, Compaq has joined the growing number of corporations that are downsizing – saving money, time and resources.



An example of how the COMPAQ SYSTEMPRO can help companies' downsizing efforts is the new SALESPAQ operations management system. Here, Gayla Baldwin, Customer Relations Representative, right, and Claire Ellington, of the Prior Approval group, both use the SALESPAQ system to help perform their jobs more efficiently.



Wesley Hackney

Planting for the future

Employee honored for charitable efforts

A born salesman, Wesley Hackney is often told he could use his talents to raise money for himself. However, Hackney, a Compaq Houston Facilities Project Coordinator, says he enjoys using his selling skills to raise money for various charities. He doesn't mind a dose of hard work, either.

Hackney's most recent charitable effort called for raising money and helping to plant 2,793 trees in Houston.

The 2x2 Program, a Houston Parks Board project, has the goal of planting two million trees in the Houston area by the year 2000. During a 2x2 Program event in March, Hackney was honored by Houston Mayor Kathy Whitmire and Continental Airlines for raising the most money, \$833 – all from individual donors. The Compaq employee was also awarded two round-trip airline tickets to anywhere in the continental United States. He says he's not sure where he will go, but is contemplating Pennsylvania, North Carolina's Smokey Mountains or Washington State and Oregon.

Hackney was one of 2,500 volunteers who turned out to plant, by hand, 2,793 15-gallon oak, elm, magnolia and other types of trees. All money raised from this event will be used to buy more trees.

Collecting donations for the event was not too hard, Hackney says. He raised over \$300 during one night of bowling. He adds that since the 2x2 Program is on-going, he plans to continue his efforts in the reforestation project.

Hackney is now working on fund raising for the Leukemia Society's fun run, slated for this month. He is heading up the Compaq team planning to participate in the event.

"I have a cousin who really does a lot of charity work. Whenever he calls me, I always end up agreeing to do the project with him," Hackney explains. "I do enjoy the charity work. I'm sure I'll continue to do it in the future."

So, if you see Hackney walking down the halls of Compaq headquarters, be prepared to part with your dollar. He's always got a worthy cause in need of donations.

Group contributes to products' ease of use

Have you ever bought a new "toy" and rushed home to use it, only to feel your excitement fade as you try to assemble or connect it? Finally, once you get it ready to go, you discover only a brain surgeon could figure out how to actually use it? You throw your hands in the air and ask, "Why can't they design products 'normal' people can use?"

There's a group of people at Compaq dedicated to making sure no one has this experience with a COMPAQ product.

The Human Factors group works with Compaq developers, designers, engineers, marketing people and others to make our products easier to use, as well as more efficient. They perform studies on various aspects of the products, alerting Compaq to human-computer interface problems before the product is offered to the public. The group also helps choose the best product designs, determine the feasibility of new product concepts and verify the product meets the needs of users.

The user interface of software utilities; touch, feel and layout of keyboards; image quality of displays; installation and configuration; documentation; and pointing devices are areas Human Factors has studied.

"We help identify where the user interface challenges exist — areas where the computer and the human are in discord," explains Cynthia Purvis, manager of the group. "We then work with the design team to find a solution. Ideally, if the schedule allows, we build prototypes of possible solutions to see if they address the problem."

The Human Factors group was formed in 1989. Because Compaq designs most of its products so far in advance, the majority of changes resulting from Human Factors studies have not yet been incorporated into products now on the market. Several are being implemented this year, including im-



Jim Reger, whose areas of expertise include user interface issues related to visual displays, keyboards and pointing devices, conducts a keyboard "touch and feel" study in one of the Human Factors group's laboratories.

provements to both hardware and software.

Studies are conducted in one of three observation labs. Test subjects are videotaped to measure their performance and preference as they use different aspects of systems. The videotapes are used to gain information, such as how long it takes a subject to figure out a software utility, so the group can determine if there is a problem and how to find the best solution.

The Human Factors group also studies

competitors' products to formulate some of the "dos and don'ts" of product design, Purvis explains. The group can also judge user preference by comparing COMPAQ products to others'.

Subjects for these studies come from various sources. Temporary agencies supply subjects for highly technical or lengthy studies. If the study will be short, employees and other endusers are called in. In some cases, such as studies on configu-

rations, Authorized Dealers are asked to participate.

"This has really mushroomed since we got started. We're getting more and more requests from various groups around the company to help find solutions to problems and improve the usability of products," Purvis says. "It's gratifying to see design teams listening to the results and seeing changes already being implemented."

Compaq Scotland marks arrival of 10,000th visitor

The Compaq Scotland manufacturing facility in Erskine has been a mecca for European visitors since it opened in 1987. The plant recently welcomed its 10,000th visitor with a memorable ceremony.

The group containing the 10,000th visitor hailed from the Netherlands, accompanied by Compaq Netherlands General Manager Ton Pannekoek. As they entered the plant, Pannekoek and his colleagues were serenaded by the facility's resident bagpiper, Henry Summers.

To commemorate the visit, each member of the group was presented with a specially inscribed Jacobite Dram Glass, which has a traditional Scottish history attached to it.

The glass is one of a series of replica Jacobite glasses, based on an original 1760 design. These glasses — also known as Firing Glasses — were a symbol of the continuing Jacobite struggle against the British Crown after the collapse of the 1745 Rebellion and, with it, the hopes of Prince Charles Edward Stuart to restore the Stuart dynasty. The symbolic power of these glasses at the time was so great, anyone found in possession of one was automatically sentenced to death.

These replica glasses will be distributed as one of the gifts available to visitors to the Erskine plant.



The Netherlands group containing the 10,000th visitor to the Erskine facility was greeted by John Dolan, General Manager. Each member of the group received a specially inscribed Dram Glass commemorating the event.

Linney defeats age in Senior Olympics



John Linney

When Houston Senior Olympics' officials planted a target flag for the football distance throw, they put it 50 yards (about 46 meters) down the course.

After all, these were "senior citizens." The oldest was 90. The youngest would compete in the 55-to-59 age group. Nobody, officials must have thought, would even come close to the flag.

They didn't know about John Linney, Director, Industry Marketing, at Compaq. Linney chose to compete in four events in which he had experience — football distance throw, football accuracy throw, softball distance throw and, with wife Beverly, tennis doubles.

The throwing events were a natural choice for Linney. An All-American quarterback at Tyler (Texas) Junior College,

he went on to play the same position at nearby Stephen F. Austin State University, where he was named to the school's Athletic Hall of Fame. Other members of the hall include American football celebrities Mark Moseley, the Washington Redskin kicker, and Bum Phillips, who coached Houston and New Orleans football teams.

Linney's strong credentials — like those of most in the large field — were developed decades ago. As he lined up for the football distance throw, he looked no more capable than the other fit, lean candidates. And those who threw before him never came close to the 50-yard marker.

When his turn came, Linney sighted in on the flag and hurled the football. It soared more than 49 yards, nearly striking

the flag and easily winning a gold medal.

He won a second gold medal in football accuracy throwing plus a bronze for placing third in softball distance throwing. Then he teamed with Beverly for second place in mixed tennis doubles.

Four events. Four medals. When Compaq suggests leading an active life away from work, John Linney listens. He and his wife are tennis regulars. Each day his schedule permits, he's off to the YMCA to run or lift weights at lunch time.

"I work out because the exercise keeps my energy level up," Linney says. "I advocate daily exercise for everybody, especially those of us who work at Compaq. The hardest part is developing the mental attitude to do it."

Of course, he recommends that inactive people get a physical examination before starting a workout program.

The last time Linney underwent an examination, the doctor expressed surprise at his youthful-looking patient's eligibility for the 55-to-59 competition. And Linney's youthful attitude matches his appearance.

"I don't feel old," he says. "I never have. If you start to think you're old, you'll be old."

"I still compete with my 27- and 29-year-old sons, and beat them some of the time. I intend to keep competing."

Three of his four sons — including Tim Linney, who is also with Compaq — live in Houston. They knew about their father's skills long before he started piling up Senior Olympics' medals.

Before joining Compaq, John Linney was active as a quarterback in flag football on the teams of other corporations. (Flag football means the person with the ball is

stopped when a "flag" on either side of his waist is pulled off by an opposing player.)

Nobody questioned his ability to handle the team's most important position when he drilled completed pass after completed pass to receivers half his age.

Even with flag football days behind him, Linney still takes pride in being part of a winning team — the marketing group that works with him today at Compaq.

"The people in our group are all younger than I am, and I love to work with them," he says. "I think I can help young people in some ways because of my experience. And they can help me in many ways because of everything they have to offer."

Linney apparently has never worked with a team he didn't enjoy. A high-school coach his first eight years out of graduate school, he guided one of his baseball teams to a Texas state championship.

There are no plans to leave his present team. In fact, he may never retire.

"I have no plans to retire," he says. "I have no magic formula for working successfully — just get into it and keep digging. I want to make bigger contributions as I go along."

He won't be stepping down from Senior Olympics, either. He'll skip this June's U.S. national finals in Syracuse, N.Y., since his events aren't on the program. But the javelin throw is on the program. He might try that event next year.

"Why not?" he asks with a broad smile. "Somebody told me it's a lot like throwing a football. I'm willing to give it a try."

Play it again

The ACE Music Club Jazz Band was the opening entertainment during the Houston International Festival Kickoff Gala, held last month at the Houston Galleria. Vocalist Liz Gullion, Senior Technical Coordinator in Information Management, and the Jazz Band performed a variety of selections. Gullion was joined by Harry Rogers, R&D Engineer, for a rendition of "Somewhere Out There." Over 1,000 people attended the event that kicked off the annual Houston festival.



international FOCUS



Compaq Computer Hong Kong orients itself for success

Two years after the establishment of Compaq Computer Asia Pte Ltd — the company's sales subsidiary in Singapore — Compaq announced the opening of another Asian subsidiary, Compaq Computer Hong Kong.

The opening date, Aug. 1, 1990, has favorable significance. This new subsidiary — the company's 18th — was launched on the first day of the eighth month. According to Lim Soon Hock, Managing Director of Compaq Computer Asia, the word "18" in Cantonese rhymes with the phrase meaning "to prosper."

"Establishment of the Hong Kong subsidiary is a response to the growth and increasing demand for COMPAQ products in North Asia," he explained. "This presence is also part of the company's contin-

To accommodate the growth, the subsidiary moved into more spacious offices in Two Pacific Place, one of the most modern new office complexes in Central Hong Kong. Besides the expanded office space, the location offers a large training room, two meeting rooms and an internal conference room, as well as a library for marketing and technical information.

Today this subsidiary has nine employees in the Sales, Finance, Technical and Operations departments. This number is expected to increase to 24 by year-end.

Changes ahead

Hong Kong (the name means 'Fragrant Harbor') is a major world financial center and a premier example



At the new Compaq Hong Kong offices, the spacious training room can easily accommodate 23 people.

Country Profile	
Country:	Hong Kong
Population:	5.8 million
Size:	413 square miles (1,070 square kilometers)
Languages Spoken:	Chinese, English
Capital:	Victoria
Subsidiary Profile	
Name:	Compaq Computer Hong Kong Ltd.
Address:	10F Two Pacific Place Hong Kong
Established:	August 1, 1990
No. of Employees:	10
No. of Dealers:	Seven

of laissez-faire capitalism. A city founded on trade, Hong Kong is the main link between China and the rest of the world, as well as a thriving entrepreneurial and manufacturing center in its own right. When the 100-year-old British lease on this region expires in 1997, sovereignty of Hong Kong will revert to China.

Hong Kong includes the island of Hong Kong and adjacent islets, Kowloon peninsula and the New Territories on the mainland. Located at the southeastern tip of China, the island has an area of 1,070 square kilometers (413 square miles) and a population of 5.8 million people — making it one of the most densely populated areas in the world.

Chinese (Cantonese) is the predominant language, but most people speak fluent English. The main religions are Buddhism, Taoism, ancestor worship, Christianity and Islam.

Since its inception in 1988, Compaq Computer Asia has consistently recorded high sales growth — expanding its dealer network to 11 countries throughout Asia. In North Asia, the Compaq dealer base in Hong Kong has grown from one to seven. Compaq Authorized Dealers in Hong Kong are Asian Electronics, ComputerLand, Electcom Computer Systems & Consultants, Executive Computer Center, Jardine Office Systems, Microware USA and Tricom Microsystems Limited.

uing international expansion program."

By providing sales, marketing, training, service and technical support, the Hong Kong office meets the growing needs of Compaq customers and dealers in North Asia — an area that covers Hong Kong, the People's Republic of China, South Korea and Taiwan.

Currently, Hong Kong and China are leading in generating revenue for Compaq in North Asia, followed by Korea and Taiwan. In fact, Korea and China have been identified by Compaq as two of its fastest growing markets.

According to International Data Corporation (IDC) and Compaq estimates, the market for PCs in North Asia is worth \$2.76 billion in 1991. Of the 'four dragons' — Singapore, Hong Kong, Taiwan and Korea — three are located in North Asia.

A moving experience

Compaq Computer Hong Kong started in a tiny subleased office in a business center, headed by Laurie Kan, Area Sales Manager of North Asia. In four months' time, the subsidiary grew to include six employees occupying two small offices in the center.



Compaq Hong Kong staff members are joined for the holidays by Lim Soon Hock, Managing Director, Compaq Computer Asia (second from right).

Having a heart

The Compaq Running Club participated in the American Heart Association's Heart & Sole Fun Run last month, held annually at Transco Tower in Houston. The ACE-sponsored athletes fared well in the competition.

The women's team of Mary Lee Brown, Karen Bucko, La Tasha Gary and Carla Havel placed second in their division. The team of Tom Crofoot, Claire Harris, Peter Heyne and Tom Johnson finished second in the Master's Division. The men's team — Mike Bachrach, Bob Fusco, Dave Lyskawa and Rich Yanacek — placed third in their competition. In the coed contest, Anne Eyler, Bradley Janowski, Dixie Philips and K. Doug Stewart finished fifth.

Compaq donated the top door prizes raffled off after the races — one COMPAQ SLT/386 Model 60 and three COMPAQ LTE/286 Model 40 notebook PCs.



Rich Yanacek hands off to Dave Lyskawa in the Men's Division competition. The team placed third overall.



Members of the Compaq Running Club include, from left: first row, K. Doug Stewart, Karen Bucko, La Tasha Gary, Jeff Linn and Claire Harris; second row, Mary Lee Brown, Carla Havel, Dave Lyskawa, Cynthia Murray, Marti Branch, Tom Johnson and Rich Yanacek; third row, Mike Bachrach, Peter Heyne and Tom Crofoot.



The event is held at Transco Tower near the Galleria in Houston.



Mary Lee Brown, left, and Carla Havel pause for a "breather" after their team finished second in the women's race.

Thanks to entrants

Thanks to everyone who sent in their response cards from the March *Inside & Out*. The 10 winners of the drawing of response cards are: George Berrich, Scotland; Rebecca Cortez, CCA5; Kevin Dooley, CCA6; Sandra L. Ficke, CCM2; Ann T. McLain, CCA6; Brian Merritt, CCM3; Klaus Meuschlin, Munich; Gerard O'Neill,

United Kingdom; Rosemary Purdy, Louetta Crossing; and Linda Rudd, CCA12.

These lucky winners won a Compaq executive pen.

Congratulations and thanks for entering!

Don't forget to send in your card from this month's issue!

COMPAQ